UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

FIFTH COMMITTEE
59th meeting
held on
Friday, 10 May 1996
at 10 a.m.
New York

SUMMARY RECORD OF THE 59th MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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Distr. GENERAL
A/C.5/50/SR.59
7 June 1996

ORIGINAL: ENGLISH

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96-80616 (E)

The meeting was called to order at 10.10 a.m.

AGENDA ITEM 128: FINANCING OF THE UNITED NATIONS PROTECTION FORCE, THE UNITED NATIONS CONFIDENCE RESTORATION OPERATION IN CROATIA, THE UNITED NATIONS PREVENTIVE DEPLOYMENT FORCE AND THE UNITED NATIONS PEACE FORCES HEADQUARTERS (continued) (A/50/696/Add.4 and Add.4/Corr.1, A/50/696/Add.5 and A/50/903 and Add.1)

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1. Mr. TAKASU (Controller), introducing the Secretary-General's report on the financing of the operations in the former Yugoslavia (A/50/696/Add.4 and Add.4/Corr.1), said that the report had been revised to reflect the evolving situation in the former Yugoslavia.

2. In Bosnia and Herzegovina, following the initialling of the General Framework Agreement for Peace in Bosnia and Herzegovina, the Security Council had decided by its resolution 1031 (1995) to terminate the mandate of the United Nations Protection Force (UNPROFOR) and, by its resolution 1035 (1995), it had established the United Nations Mission in Bosnia and Herzegovina (UNMIBH) for a period of one year pursuant to annex 11 of the Peace Agreement. The Mission consisted of an International Police Task Force (IPTF) and a civilian office. For administrative and budgetary purposes, the Office of the Special Coordinator for Sarajevo, which, with effect from 30 April 1996, had been subsumed under the arrangements established by the World Bank, the European Commission and others for rehabilitation and reconstruction of Bosnia and Herzegovina, would be treated as part of UNMIBH. In addition, by its resolution 1038 (1996), of 15 January 1996, the Council had authorized the continuation of the moratorium arrangement for the administration of the Prevlaka peninsula. On the recommendation of the Secretary-General, that arrangement had become an independent mission known as the United Nations Mission of Observers in Prevlaka (UNMOP). The estimated cost of the start-up and maintenance of UNMIBH, as well as the requirements for the Office of the Special Coordinator for Sarajevo and UNMOP, for the period from 1 January to 30 June 1996, was $52.7 million. For the 12-month period from 1 July 1996 to 30 June 1997, the General Assembly was being requested to appropriate the amount of $158,799,600 gross for the maintenance of UNMIBH, to be assessed at a monthly rate of $13,233,300 gross, subject to any subsequent extension of the Mission's mandate by the Security Council.

3. In Croatia, by its resolution 1025 (1995) of 30 November 1995, the Security Council had decided to terminate the mandate of the United Nations Confidence

Restoration Operation in Croatia (UNCRO) after an interim period ending on 15 January 1996 or when the Council had decided on the deployment of the transitional peace-keeping force. By its resolution 1037 (1996) of 15 January 1996, the Council had established the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) for an initial period of 12 months. The estimated cost of UNTAES for the period from 15 January to 30 June 1996 was $108.151 million, while, for the period from 1 July 1996 to 30 June 1997, the total cost of maintaining UNTAES and the liaison offices at Belgrade and Zagreb was estimated at $284,776,500 gross. In his report of 6 February 1996 (S/1996/83), the Secretary-General had informed the Security Council of his intention to retain liaison offices in Belgrade and Zagreb in view of the interrelated nature of the situation in the various areas of the former Yugoslavia and because of the importance of the policies of the Governments of Croatia and the Federal Republic of Yugoslavia regarding events within the region. For administrative and budgetary purposes, the Belgrade and Zagreb liaison offices would be treated as part of UNTAES.

4. The mandate of the United Nations Preventive Deployment Force (UNPREDEP) had been extended until 30 May 1996 by the Security Council in its resolution 1027 (1995) of 30 November 1995. The total resources required for UNPREDEP for the period from 1 January to 30 June 1996 were estimated to be $24,694,800 gross and, for the period from 1 July 1996 to 30 June 1997, $52,351,500 gross on a full-cost basis.

5. In his report to the Security Council on 6 February 1996 (S/1996/83), the Secretary-General had indicated that the centralized administrative support structure in UNPF would be retained for the time being. During the pre-liquidation period from 1 February to 30 June 1996, the former UNPF headquarters would provide all aspects of administrative and logistic support for new missions, assist in building up independent administrative support structures for the new missions and perform administrative liquidation tasks for UNCRO, UNPROFOR and UNPF. As separate administrative support infrastructures were established in the new missions, personnel and assets would be transferred to them as quickly as circumstances on the ground allowed. The cost estimate for the United Nations Peace Forces for the period from 1 January to 30 June 1996 was $302 million gross. That amount included provision for the phasing out of civilian and military personnel, the reimbursement of contingent-owned equipment and the settlement of third party liability claims. The total cost of the liquidation of UNPF for the period from 1 July 1996 to 28 February 1997 was estimated at $40,171,600 gross.

6. He wished, finally, to remind the Committee that the Secretary-General was still awaiting its response to his proposals for the financing of the rapid-reaction capacity.

7. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the financing of the United Nations operations in the former Yugoslavia (A/50/903 and Add.1), said that the Advisory Committee had revised some of the Secretary-General's proposals on the basis of the information received from officials of the Secretariat. Annex IV of the report (A/50/903/Add.1), for example, contained the revised cost estimates for UNTAES for the period from 1 January to

30 June 1996, while annex III contained the revised cost estimates for UNMIBH for the period from 1 January to 30 June 1996. He would be pleased to provide during the informal consultations clarification on any reduction recommended by the Advisory Committee in the Secretary-General's cost estimates. He recalled, further, that the Advisory Committee had requested additional information on the procedures for the transfer of United Nations Peace Forces assets to the multilateral implementation forces and on the strengthening of the United Nations Protection Force with a rapid-reaction capacity.

8. Mr. FERRARIN (Italy), speaking on behalf of the European Union, welcomed the implementation of the new system of peace-keeping budgeting and the fact that the Secretary-General's reports had been available far enough in advance for the Advisory Committee and Member States to examine them before the beginning of the resumed session. However, while the format of budget submissions had been improved, in line with the mock-up budget for peace-keeping operations, in some cases the budgets were more concise than the mock-up. In that regard, the European Union welcomed the recommendations of the Advisory Committee regarding further improvements in the budget documentation.

9. The European Union regretted that, contrary to the provisions of resolution 49/233, not all the performance reports were available and that, consequently, the Secretary-General's reports on cost estimates did not provide information on actual expenditures or the latest available financial data for the period in progress. The European Union would like those problems to be addressed by the Fifth Committee at the next session.

10. Referring to the provisions of General Assembly resolution 49/233, section I, paragraphs 3 and 4, he stressed that they should be applied by the General Assembly, which had the prerogative of determining which operations were subject to fluctuations. In that regard, the European Union believed that some operations before the Committee, such as those in Angola, Bosnia and Herzegovina, Croatia, Liberia and Western Sahara, should be reconsidered at the end of the year. In those cases, the European Union would expect the various resolutions to take note of the proposed levels of cost estimates; appropriate funds for the period through 31 December 1996; approve assessments, at specific monthly rates, subject to Security Council extension of the political mandates; and request the Secretary-General to provide the General Assembly, if necessary, with updated estimates for the second half of the financial year in preparation for the discussion which would take place at the fifty-first regular session.

11. The European Union welcomed the recent improvement in the text of the financing resolutions concerning the crediting of Member States and favoured giving priority in reimbursing troop and equipment costs to those Member States that were current with their assessed peace-keeping contributions.

12. The European Union noted, as did the Advisory Committee, that the non-inclusion of the usual provision for payment to the support account for peace-keeping operations in the Secretary-General's reports was appropriate pending a decision by the General Assembly on the mode of financing the support account. In that context, it agreed with the Advisory Committee's suggestion that the resources should be prorated among the individual peace-keeping operation budgets rather than appropriated and assessed to a separate account.

13. On the basis of the current budget methodology, peace-keeping budgets must reflect the full cost of each mission. The European Union believed that when voluntary contributions covered activities otherwise financed with assessed contributions, such voluntary contributions should be fully reflected in peace-keeping budgets and the assessments should be consequently reduced. The European Union was therefore requesting the Secretary-General to prepare a report on that matter for the fifty-first session of the General Assembly.

14. Concerning the disposition of the assets of peace-keeping operations, experience showed the need for improvement in relations between the United Nations and the host countries of peace-keeping operations. The European Union agreed with the Advisory Committee's recommendation that in the future, the status-of-forces agreement should include a provision that ensured appropriate cooperation by the host country in the withdrawal of United Nations personnel and assets from missions.

15. Mr. GRANT (United States of America) said that his Government had a number of concerns about the budget proposals for the United Nations operations in the former Yugoslavia which it would raise during informal consultations. He would welcome clarification, for example, of the criteria used for determining the reimbursement levels for contingent-owned equipment. It would also be useful to know how liability claims and adjustments compared with those of other large United Nations operations, such as those carried out in Somalia and Cambodia. He was particularly concerned about the proposed length of the liquidation and pre-liquidation phases of the operations. Finally, he would be seeking additional information on the financing of the rapid reaction force and on the budget proposals for demining personnel.

16. Mr. GOKHALE (India) said that the Committee appeared to be reopening the discussion of the overall financing of peace-keeping operations. His delegation was not aware that that subject was to be taken up in the current resumed session.

AGENDA ITEM 133: FINANCING OF THE UNITED NATIONS MISSION IN HAITI (continued) (A/50/363/Add.2 and Add.2/Corr.1 and A/50/488/Add.2 and Add.2/Corr.1)

17. Mr. HOSANG (Director, Peace-keeping Financing Division), introducing the report of the Secretary-General on the financing of the United Nations Mission in Haiti (A/50/363/Add.2 and Add.2/Corr.1), said that the final mandate of the United Nations Mission in Haiti would end on 30 June 1996 in accordance with Security Council resolution 1048 (1996). The report before the Committee covered the period from 1 March to 30 June 1996 as well as the liquidation period beyond 30 June 1996.

18. For the four-month period ending 30 June 1996, it was estimated that the costs of the Mission would amount to $45.8 million gross and would provide for the repatriation of troops, reducing the troop strength on the ground to 1,200. It would also provide for the maintenance of civilian police and international and local support staff.

19. For the liquidation period, the cost was estimated at $15.6 million and would provide for the repatriation of the civilian police and the military

contingent of 1,200, the closing of base camps and the closing down of the Mission.

20. The actions to be taken by the General Assembly at its fiftieth session were described in paragraph 29 of the Secretary-General's report and included the appropriation of an amount of $45.8 million gross with assessment of an additional amount of $25.8 million for the period from 1 March to 30 June 1996, as well as the appropriation and assessment of the amount of $15.6 million gross for the liquidation of the Mission.

21. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the financing of the United Nations Mission in Haiti (A/50/488/Add.1 and Add.2/Corr.1), said that the report examined the cost of a scaled down mission with, inter alia, 1,200 troops, excluding 700 Canadian troops, and 300 civilian police monitors for the period ending June 1996 and of its liquidation over a seven-month period starting 1 July 1996 and ending on 31 January 1997. The Security Council had extended the Mission for a final period from 1 March to 30 June 1996. As indicated in paragraph 9 of the Advisory Committee's report, the cost for that period was estimated at $45.8 million, while the liquidation was estimated to absorb another $15.6 million. Paragraph 11 of the report contained information on the cost of the additional Canadian contingent of 700 troops, about $7.2 million, which was to be borne by the troop contributor. The United Nations would bear the indirect costs.

22. On the basis of its review of the estimates, the Advisory Committee recommended, in paragraph 21, the appropriation of $60.8 million gross for the Mission from 1 March to 30 June 1996 and for the liquidation for the period ending 31 January 1997. The exact amounts to be assessed were also indicated in that paragraph.

23. As indicated in paragraphs 6 and 7 of its report, no performance report had been available to the Committee for the period 1 August 1995 to 29 February 1996. The Advisory Committee had requested, and had received from the Secretariat, interim performance data which were reflected in annex 1 to its report. The data indicated a preliminary saving of about $10 million. The figure was preliminary and the Advisory Committee had not felt justified at that time to recommend definitively that the preliminary saving of $10 million should be taken into account in the recommendations on additional assessments. However, on the basis of any additional up-to-date information which the Secretariat could be requested to provide, the Fifth Committee might consider the ultimate disposition of the preliminary savings of $10 million.

The meeting rose at 11 a.m.